

**TITLE 4. PROFESSIONS AND OCCUPATIONS
CHAPTER 46. BOARD OF APPRAISAL**

ARTICLE 1. GENERAL PROVISIONS

R4-46-701 Definitions/RESERVED

In these rules, unless the context otherwise requires:

R4-46-702 Registration

A. An applicant for registration as an Appraisal Management Company pursuant to A.R.S. §32-3661 *et. seq* includes a business entity in which 75% (seventy-five percent), or more, of staff excluding appraiser panel members but including and not limited to owners, controlling persons, managers, staff, including support staff, **are not** licensed or certified appraisers or trainees, and whose function and work duties **are not** involved in the estimation of value, preparation of appraisal reports or appraisal consultation, and/or are otherwise covered by the Definition of APPRAISAL MANAGEMENT COMPANY in A.R.S. § 32-3661, shall be required to register with the Arizona Board of Appraisal as an Appraisal Management Company.

B. Registration shall be written and on forms provided by the Board and accompanied by certifications that include, at a minimum, the following information:

(1) The name, business address, telephone contact, and the e-mail address of the person (entity) seeking registration plus the designation of an agent for service of process as follows:

a. An in-state appraisal management company, (Domestic) shall designate an agent for service of process in this state.

b. A foreign appraisal management company (Non-resident) shall provide either a certificate of authority issued by the Secretary of State or a copy of the company's filing with the Secretary of State appointing an agent for service of process in this state.

(2) The name, residential address, business address, day-time telephone number and email address for all individuals/entities (including stockholders) who own 20% or more of the appraisal management company.

(3) The name, residential address, business address, day-time telephone number and email address for all individual(s) authorized by the appraisal management company to contract with clients or independent appraisers for the performance of appraisals.

(4) The application shall include proof of a valid surety bond in the amount of \$20,000 and shall meet the additional specifications in R4-46-704. The surety bond shall indemnify the Arizona Board of Appraisal, panel appraisers, and public claimants. The bond shall be replenished to the original amount of \$20,000 within 30 days of being drawn down and shall be maintained for at least one year after an Appraisal Management Company's registration is terminated, canceled, revoked or otherwise ends.

(5) An application fee in the amount stipulated on the form and as provided for in the rule.

(6) On applications for registration and annually thereafter, applicants and registrants shall make the following certifications:

- 48 **a.** That the applicant/registrant has a system in place to verify that all Arizona appraisers
49 on its panel have a current and valid license or certificate in good standing issued by the
50 Board of Appraisal.
- 51 **b.** That the applicant/registrant has a system in place to review the work of all
52 independent appraisers performing appraisal services for the Appraisal Management
53 Company and that the services are conducted in conformity with the Uniform Standards
54 of Professional Appraisal Practice. These reviews shall include, at a minimum, 5% of
55 each appraiser's work annually and completed as Standard 3 Reviews by certified
56 Arizona appraisers with geographic competency.
- 57 **c.** That the applicant/registrant shall maintain a record of each request for appraisal
58 services applicable to Arizona properties as well as the name of the appraiser performing
59 the appraisal service and the fee paid to the appraiser. Such records shall be made
60 available to the Arizona Board of Appraisal upon written request by the Board.
- 61 **d.** That the applicant/registrant has designated a controlling person and that individual
62 has accepted the responsibilities as the controlling person.
- 63 **e.** That the applicant/registrant has a system in place to train those who select individual
64 appraisers for real property services in this state, to ensure that the selectors have
65 appropriate training in placing appraisal assignments.
- 66 **f.** That there are no unpaid invoices or accounts payable to Arizona licensed or certified
67 appraisers for services received that are over 60 days past due at the time of initial
68 registration.

- 69 **(7)** Any other information required by the Board deemed reasonable in scope and content
70 and necessary for the implementation and administration of the statutes and rules.
- 71 **C.** An Appraisal Management Company which operates in this state under more than one business
72 name (dbas or "doing business as") shall apply for registration with the Board for each name under which it
73 does business.
- 74 **D.** An appraisal management company having been issued a valid registration shall comply with the
75 following:
- 76 **1.** Shall maintain with the Board the name and address of a registered agent for service of
77 process and shall furnish in writing to the Board any changes to the information on file
78 within 5 business days.
- 79 **2.** An Appraisal Management Company shall maintain a complete record of all requests
80 for appraisal services referred to state licensed and certified appraisers, the amount of
81 fees collected from clients, as well as payments made to the appraisers and shall make
82 such information available to the Board upon written request.
- 83 **3.** The applicant/registrant shall make available to the Board any and all records that are
84 required to be kept or records deemed by the Board to be pertinent to an investigation of
85 a complaint against an applicant/ registrant.
- 86 **4.** The registered entity shall designate a controlling person responsible for ensuring
87 compliance with all statutes and rules and shall file with the Board a certification
88 identifying the controlling person and that individual's certification accepting
89 responsibilities as the controlling person.
- 90 **5.** A registrant shall notify the Board in writing within 5 business days of any change in
91 its designated controlling person or the controlling person's contact information.

92 6. All records required to be maintained under these rules shall be retained for five years
93 and for two additional years after the conclusion of any judicial proceeding or litigation
94 involving the matter.

95 7. At any time a document filed with the Board becomes inaccurate the
96 applicant/registrant shall promptly file with the Board an amendment correcting that
97 information within 10 business days.

98 8. A registrant shall disclose to its client the actual fees paid to an appraiser for appraisal
99 services, separately from any other fees or charges for appraisal management services
100 and, upon written request, shall make that information available to the Board.

101 9. The registrant shall disclose to an appraiser within their engagement documents
102 verification of the State Registration of the appraisal management company.

103 10. The registrant shall not attempt to coerce, directly or indirectly the appraiser to accept
104 an assignment if the appraiser states that he/she lacks competency or lacks geographic
105 competency to complete the appraisal assignment and the registrant shall in no way
106 penalize the appraiser by reducing the number of assignments made to that appraiser,
107 refusing to pay fees owed or imposing any other penalty.

108 11. A registrant shall, at all times, maintain a current list of their appraisal panel and
109 shall provide a copy of that list to the Board upon written request.
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111 **R4-46-703 Exemptions**

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113 A. A business entity in which 75% (seventy-five percent), or more, of staff excluding an “appraiser
114 panel” but including and not limited to owners, controlling persons, managers, staff, including support
115 staff, **are** licensed or certified appraisers or trainees, and whose function and work duties **are** involved in
116 the estimation of value, preparation of appraisal reports or appraisal consultation and whose non appraiser
117 staffs function and work duties **are** involved in the estimation of value, preparation of appraisal reports or
118 appraisal consultation, shall not be required to register with the Arizona Board of Appraisal as an Appraisal
119 Management Company.

120 B. Attorneys or other persons or entities not involved in appraisal management as described herein
121 and who may order appraisals from independent appraisers from time to time for use in litigation, judicial
122 process, and other specific use shall be exempt.

123 C. Any other entity already described in A.R.S. § 32-3663.
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125 **R4-46-704 Fee; Bond**

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127 A. The fee for initial registration shall be \$1,800 regardless of the number of appraiser on the
128 appraiser panel. The two year renewal registration fees shall be \$1,800 regardless of the number of
129 appraisers on the appraiser panel.

130 ~~1. Renewal fee for registrants with 15 or fewer panel appraisers will be \$1,200.~~

131 ~~2. Renewal fee for registrants with 25 or fewer panel appraisers will be \$1,400.~~

132 ~~3. Renewal fee for registrants with 51 or more panel appraisers will be \$2,000.~~

133 B. Registration fees shall be deposited into the Board’s general fund and pursuant to A.R.S. § 35-146
134 and § 35-147, the Board shall deposit ten per cent of the monies in the state general fund and deposit the
135 remaining ninety per cent in the Board of Appraisal Fund. All monies deposited in the Board of Appraisal
136 fund are subject to section § 35-143.01.

C. At the time of application, the applicant shall submit proof of a valid surety bond in the amount of \$20,000. In addition to the requirements of R4-46-702(B)(4):

1. The bond shall be in favor of the State Board of Appraisal for the benefit of any person covered by this section. The bond is subject to claims by the Board for failure to pay any amount required pursuant to the statutes and rules governing appraisal management companies or by any person who is damaged by the failure of the principal to provide appraisal management services.

2. A person claiming against the bond may maintain an action against the principal and the surety bond. The principal's surety bond may be sued upon in successive actions until the full amount is exhausted. A suit shall not be commenced on the bond after the expiration of one year following the commission or omission of the act on which the suit is based, except that time for purposes of claims for fraud shall be measured pursuant to A.R.S. § 12-543.

3. On receipt by the Board of notice of intent to cancel a bond by a corporate surety, the Board shall immediately notify the principal of the bond of the effective date of the cancellation and that the principal must furnish a like bond before the cancellation date or within thirty days after mailing the notice by the Board or the Board may pursue disciplinary action against the principal of the bond.

R4-46-705 Owner Requirements

A. An Appraisal Management Company applying for registration in this state may not be owned by a person or have any principal of the company who has had any financial, appraisal, real estate, or mortgage lending industry license or certificate refused, denied, canceled, revoked or voluntarily surrendered in this state or in any other state. This requirement may be waived by appeal and at the discretion of the Board.

B. An Appraisal Management Company whose owner(s) or principal(s) have had a financial, appraisal, real estate or mortgage lending industry license or certificate refused, denied, canceled, revoked or voluntarily surrendered, in this state or any other state are not prohibited from seeking registration in this state. The Board shall consider the following factors when determining whether such an Appraisal Management Company may be granted registration in this state:

1. The facts underlying the refusal, denial, cancellation, revocation or voluntary surrender of the license or certificate.

2. Whether the refusal, denial, cancellation, revocation or voluntary surrender of the license or certificate involved findings of relating to fraud, dishonesty, misrepresentation, or deceit on the part of the license/certificate holder.

3. The length of time that has elapsed since the refusal, denial, cancellation, revocation or voluntary surrender of the license or certificate.

4. Any efforts undertaken by the owner/principal to rehabilitate himself/herself and make restitution to the any victims, if applicable.

5. Other factors in mitigation or aggravation deemed relevant by the Board.

C. Each person who owns, is an officer of, or has a financial interest of 20% or more, including stockholders, in an appraisal management company applying for registration in this state shall:

1. Be of good moral character.

2. Submit to a background investigation. The background investigation shall include:

a) Department of Public Safety fingerprint check

b) FBI background check

c) Search of participating states for AMC license revocation, suspension, or other action

182 d) Search of the National Registry Database for negative action regarding an appraisal
183 license or certification

184 e) Search of any Federal Databases that may result from future Federal legislation
185 enacted.

186 D. The Board shall conduct the searches for participating state AMC registration and licensing checks
187 through the National Registry, or other venues as directed by the Board.

188 E. The FBI background check and DPS fingerprint check are to be initiated and paid for by the
189 applicant at the direction of the Board of Appraisal with the results to be sent directly to the Board of
190 Appraisal from DPS and the FBI.

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192 **R4-46-706 Controlling Person**

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194 A. The Appraisal Management Company's controlling person shall:

195 1. Certify to the Board that the person has never had any financial, appraisal, real estate or
196 mortgage lending industry license or certificate issued by this state, or any other state, refused,
197 denied, canceled, revoked or voluntarily surrendered. This requirement may be waived by
198 appeal and at the discretion of the Board.

199 2. Submit to a background investigation as determined by the Board in accordance with R4-
200 46-704B.

201 3. Be of good moral character.

202 B. An Appraisal Management Company whose designated controlling person has had a financial,
203 appraisal, real estate or mortgage lending industry license or certificate refused, denied, canceled, revoked
204 or voluntarily surrendered, in this state or any other state are not prohibited from seeking registration in this
205 state. The Board shall consider the following factors when determining whether such an Appraisal
206 Management Company may be granted registration in this state:

207 1. The facts underlying the refusal, denial, cancellation, revocation or voluntary surrender of
208 the license or certificate.

209 2. Whether the refusal, denial, cancellation, revocation or voluntary surrender of the license
210 or certificate refusal, denial, cancellation, revocation or voluntary surrender of the license or
211 certificate.

212 3. Findings of fraud, dishonesty, misrepresentation, or deceit on the part of the
213 license/certificate holder.

214 4. The length of time that has elapsed since the refusal, denial, cancellation, revocation or
215 voluntary surrender of the license or certificate.

216 5. Any efforts undertaken by the owner/principal to rehabilitate himself/herself and make
217 restitution to the any victims, if applicable.

218 6. Other factors in mitigation or aggravation deemed relevant by the Board.

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220 **R4-46-707 Employee Requirements**

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222 An Appraisal Management Company shall require that all employees of an Appraisal Management
223 Company, or any person working on behalf of an appraisal management company, who have the
224 responsibility of selecting independent appraisers for the performance of real property appraisal services for
225 the appraisal management company or providing administrative appraisal review services on a completed
226 appraisal, be appropriately trained and qualified in compliance with the statutes and rules. The training

may consist of courses prepared by qualified and recognized educators or may be written by the Appraisal Management Company and shall be repeated and updated as deemed necessary by the Appraisal Management Company. The class may consist of courses prepared by qualified and recognized educators or may be written by the entity itself but in either case, shall be developed, implemented and delivered within 6 months of an Appraisal Management Company's initial registration. Criterion for the training shall include:

- 1) USPAP overview
- 2) The Appraisal Process
- 3) Scope of Work
- 4) Complexity of various assignments
- 5) Competency in product type and geographic location
- 6) Understanding scope of work for each license or certification level

R4-46-708 Annual Certifications

A. Each Appraisal Management Company registered in this state shall certify to the Board on an annual basis all certifications as stated in R4-46-702(B)(6).

R4-46-709 Appraiser Independence; Prohibitions

A. An Appraisal Management Company shall not provide to an independent appraiser an anticipated, estimated, encouraged or desired value for a subject property or a proposed or target amount to be loaned to the borrower, except that a copy of the sales contract for purchase transaction may be provided. "Owner's estimates of value" or other value opinions may not be included on any forms or communications sent by Appraisal Management Company to the appraiser.

B. An Appraisal Management Company shall not remove an independent appraiser from an appraiser panel, without prior written notice to the appraiser. The appraiser may file a complaint with the Arizona Board of Appraisal to review the decision of the Appraisal Management Company. Reasons for removal from a panel include:

- 1) Alleged illegal conduct;
- 2) Violation of the Uniform Standards of Professional Appraisal Practice; or
- 3) Violation of State Licensing Standards.

C. The registrant shall not permit any employee, agent, third party, or controlling principal to engage in any of the following activities:

- 1) The registrant shall not require the appraiser to collect the appraisal fee from a borrower, homeowner, or third party.
- 2) The registrant shall not hire an employee or in any way contract with or pay a real estate broker to perform a broker's price opinion or comparative market analysis unless the broker's price opinion or comparative market analysis is to be performed only for listing or selling property that the registrant owns or manages for a third party client.
- 3) The appraiser shall not be required to provide the registrant with the appraiser's digital signature or seal.

4) The registrant shall not alter, amend, or change an appraisal report submitted by a licensed or certified appraiser by removing the appraiser's signature or seal or by adding or removing information to or from the appraisal report.

5) The registrant shall not remove any portion of data from within an appraisal report for use in any databases or automated valuation database.

R4-46-710 Payment

A. Except in cases of breach of contract or substandard performance of services, each appraisal management company shall make payment to an independent appraiser for the completion of an appraisal or valuation assignment within forty-five days after the date on which the independent appraiser transmits or otherwise provides the completed appraisal or valuation study to the appraisal management company or its assignee. Failure to remit payment s timely may be grounds for disciplinary action by the Board up to and including the assessment of civil penalties, suspension or revocation of the Appraisal Management Company's registration.

B. "Completed appraisal" means delivery of the finished product appraisal report to the Appraisal Management Company. Subsequent requests by the Appraisal Management Company to the appraiser for additional support of valuation or correction of factual and objective data shall not extend the payment date beyond the original 45 days from first receipt of appraisal.

C. An Appraiser shall comply with an Appraisal Management Company's request for additional data support of estimate of value or correction of factual and objective data errors within 10 days of request or be subject to complaint process to the Board by the AMC.

R4-46-711 Appraisal reports; alterations; use

REDUNDANT...SEE 709(C)

A. Remove data or portions thereof from the report for use in any form or reason.

R4-46-712 Enforcement; Grounds for disciplinary action

A. The Board may censure an appraisal management company, conditionally or unconditionally suspend or revoke any registration issued under this article or impose civil penalties not to exceed fifteen thousand dollars (\$15,000) per violation if, in the opinion of the Bard, an appraisal management company is attempting to perform, has performed or has attempted to perform any of the following acts:

1. Committing any act in violation of applicable statutes.
2. Violating any rule adopted by the Board in the interest of the public and consistent with this article.
3. Violating any order of the Board or refusing to comply with a Board subpoena.
4. Knowingly making or causing to be made to the board any false representation of material fact.
5. Suppressing or withholding from the board any information that the applicant possesses and that, if submitted by the applicant, would have rendered the applicant ineligible to be registered pursuant to rules adopted by the board.
6. Violating the Federal Financial Institutions Reform, Recovery and Enforcement Act of 1989.

**R4-46-713. Complaints; Investigations; Informal Proceedings;
Refusal to Appear**

A. Complaints

1. The Board shall investigate a written complaint, including an anonymous complaint or a complaint made on the Board's own motion, against an Appraisal Management Company alleging violations of A.R.S. Title 32, Chapter 36, or this Chapter, if the complaint provides information that meets the minimum criteria. Minimum criterion for a complaint include but are not limited to:

- a. The name of the respondent/Appraisal Management Company against whom allegations are being made;
- b. The action that is the basis of the complaint;
- c. The time-frame in which the action occurred;
- d. Each violation alleged to have been committed by the respondent; and
- e. A copy of the report, if the complaint includes allegations concerning an appraisal or consulting assignment.

2. Upon receipt of a complaint:

- a. Board staff shall review the complaint and determine, in consultation with Board counsel if necessary, whether the complaint meets jurisdictional criteria.
- b. Within 14 days after receipt of a complaint the Board shall notify the respondent, as prescribed in A.R.S. § 41-1092.04, of the complaint and the requirement that the respondent file a written response within 30 days from the date on the notice. The Board shall provide a copy of the complaint with the notice and request that the respondent address the issues in the complaint. If relevant to the allegations contained in the complaint, the Board shall also require that the respondent provide all of the following to the Board: the appraisal report, appraisal review, or consulting assignment, and the workfile.
- c. If the respondent requests more time to respond, the Board shall grant a single extension of time that does not exceed 30 days.

B. Initial Review and Investigation

1. Within 90 days after receipt of a response or expiration of the time for response, the Board shall conduct an initial Review of the matter to determine whether further investigation is necessary. If the Board determines further investigation is necessary, the Board may employ an investigator or investigators and shall notify the respondent of the pending investigation.
2. If a respondent's name is placed on a public meeting agenda, the Board shall mail a letter to the respondent not less than seven days before the scheduled meeting, providing the respondent with a copy of the posted notice of the public meeting.

3. If the respondent is present at the initial review, the Board may request that the respondent participate in an informational interview. A respondent may refuse to participate in an informational interview. The Board may use any Information presented at the informational interview in other proceedings related to the complaint.

4. At the initial review, the Board shall consider the complaint; any response; the appraisal report, appraisal review, consulting assignment, and the workfile. Based upon the information reviewed, the Board may dismiss the matter, request or subpoena additional information, order a limited or full investigation, or invite the respondent to an informal hearing, based on the information reviewed.

5. Board staff shall assign each investigator according to the investigator's experience, expertise, contract terms, and availability. Board staff shall select an investigator who does not have a business or familial relationship with the respondent. Each investigative report shall contain the signed certification specified in subsection (B)(6). An investigator's draft report is considered work product and is, therefore, confidential. The Board may ask for clarification or additional information after review of a draft report. Upon acceptance by the Board, an investigative report is considered final. The Board may adopt any or all of the findings in the final report at a public meeting and may consider any additional, relevant information that is discovered before the matter is resolved. The investigative report becomes a nonconfidential public document upon resolution of the complaint.

6. When the Board orders an investigation, the following certification shall be included in every investigative report prepared for the Board and signed by the investigator: "I certify that, to the best of my knowledge and belief:

a. The statements of fact contained in this report are true and correct.

b. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and they are my personal, impartial and unbiased professional analyses, opinions, conclusions, and recommendations.

c. I have no present or prospective interest in the property that is the subject of this investigation, and I have no personal interest with respect to the parties involved in this investigation.

d. I have no bias with respect to any property that is the subject of this investigation or to the parties involved in this investigation.

e. My engagement for this investigation was not contingent upon developing or reporting any predetermined result or outcome.

f. My compensation for this investigation is not contingent upon developing or reporting any predetermined result or outcome, nor have I been instructed as to any predetermined result or outcome by the Board, the Board staff, or other parties.

g. I have (or have not) made a personal inspection of the property that is the subject of this investigation.”

C. Settlement. Any time after a complaint has been filed against a respondent, the matter may be resolved by a settlement in which the respondent agrees to accept disciplinary or remedial action by consent. If the Board determines that the proposed settlement will adequately protect the public, the Board may enter into a consent agreement with the respondent. A statement made for the purpose of settlement is not admissible in a formal hearing.

D. Informal Hearing; Disciplinary Action

1. If, based on the initial review or its review of the investigative report, the Board determines that the respondent is or may be in violation of the Board’s statutes or rules, the Board may request a voluntary informal hearing with the respondent. The Board shall provide the respondent with a copy of any final investigative report in the matter, any supporting documentation, and notice of the date, time, and location of the informal hearing, as prescribed in A.R.S. § 41-1092.04, at least 30 days before the informal hearing. The notice of informal hearing shall include all of the following:

- a. A statement of the matters asserted and issues involved;
- b. Any request for additional information needed by the Board to prepare for the hearing;
- c. An explanation of the respondent’s right to appear voluntarily with or without legal counsel who is admitted to practice law in the State of Arizona; and
- d. An explanation of the respondent’s right to a formal hearing under R4-46-714.

2. The Board shall provide a copy of the informational material “Introduction to Informal Hearing,” which explains the rights and responsibilities of the Board and respondent during the informal hearing. (A copy is also available at the Board office).

3. The respondent may request and the Board may grant a continuance upon a showing of good cause. During the informal hearing the Board shall swear witnesses, question the respondent and witnesses, and deliberate. The respondent may respond to the Board’s questions, present witnesses, and ask questions of the Board and all witnesses regarding the matter before it.

4. If the Board finds a violation of the statutes or rules, but the violation is not of sufficient seriousness to merit suspension or revocation, it may offer a consent agreement including an order of censure or order of discipline that sets a time period and terms of probation sufficient to protect the public welfare and safety and rehabilitate respondent. The Board may require one or more of the following as terms of probation:

- i. Training or education;
- ii. Enhanced reporting requirements; or

426 iii. Other reasonable measures designed to protect the public and educate or rehabilitate
427 the respondent.

428 5. For any Board action other than a letter of concern or a letter of remedial action, the Board shall
429 request that the respondent sign a consent agreement, which may include findings of fact and
430 conclusions of law, depending on the severity of the violation, but shall identify and explain each
431 violation found. If the respondent is aggrieved by the Board's decision to issue a letter of concern
432 or letter of remedial action, the respondent may request a formal hearing in writing, within 30 days
433 from the date the written notice of the outcome of the informal hearing is received.

434 6. In resolving a complaint, the Board shall consider mitigating and aggravating circumstances,
435 including but not limited to:

- 436 a. Whether a violation is intentional;
- 437 b. Whether the respondent has a prior disciplinary history;
- 438 c. The time that has elapsed since the violation, and any prior violation;
- 439 d. Whether any prior violation is similar to the present violation;
- 440 e. The complexity of the assignment;
- 441 f. Whether the assignment was outside the respondent's competence; and
- 442 g. Whether the respondent has taken courses after a violation to prevent future violations.

443 E. Summary Suspension. If the Board finds that the public health, safety, or welfare imperatively
444 requires emergency action, and incorporates a finding to that effect in its order, the Board may
445 order a summary suspension pending proceedings for revocation or other action. If an order of
446 summary suspension is issued, the Board shall serve the respondent with a written notice of
447 summary suspension and formal hearing, listing the charges against the respondent and setting the
448 date for the formal hearing as soon as is reasonably possible, but in no event more than 60 days
449 from service of the written notice.

450 F. Refusal to Appear. A respondent may refuse a request to appear at an informal hearing. If the
451 respondent refuses to appear or does not appear, the Board may schedule the matter for a formal
452 hearing.

453 G. 12-Month Review. If a matter is not resolved within 12 months from receipt of the response,
454 the Board shall schedule the matter for review at each regularly scheduled Board meeting to
455 determine whether good cause exists to continue the investigation. If, after completing its
456 investigation, the Board finds that further action against the respondent is not warranted, the Board
457 shall dismiss the matter.

R4-46-714 Formal Hearing Procedures

A. The Board shall issue a notice of hearing and formal complaint for formal disciplinary proceedings if:

1. After an informal hearing, the Board determines that censure, the assessment of civil penalties, suspension or revocation may be warranted;
2. After an informal hearing, the respondent refuses to sign a consent agreement offered by the Board; or
3. After completing its investigation, the Board finds that censure, the assessment of civil penalties, suspension or revocation may be warranted.

B. Except as provided in R4-46-713(E), the Board shall provide notice of a formal hearing to a respondent at least 30 days before the date set for the hearing. The Board shall notify the respondent by certified mail to the statutory agent or the controlling person designated by the Appraisal Management Company. Unless otherwise specified, any notice provided for in these rules is complete upon deposit in the U.S. mail or by service as permitted under A.R.S. § 41-1092.04.

C. On its own motion or the motion of a party, the Board may hear a case or have the case heard by an administrative law judge. The Board may accept, reject, or modify the administrative law judge's recommended decision as prescribed by A.R.S. § 41-1092.08, and shall issue a final order.

D. Board Hearings

1. The Board may conduct a hearing without adherence to the rules of evidence used in civil proceedings. The Board shall include the respondent's application and disciplinary records as evidence in the hearing record.
2. In all hearings required or permitted by statute, order of the Board, or these rules, the party seeking relief has the burden of proof and will present evidence first.
3. The Board shall conduct each formal hearing according to A.R.S. Title 41, Chapter 6, Article 10.

E. If a party fails to appear for a formal hearing without good cause, the Board shall act upon the evidence without further notice.

F. The Board shall make and keep a record of the hearing and, in the case of disciplinary hearings or if requested by a party or ordered by the Board, a transcript shall be prepared and filed with the Board. If the transcript is prepared at the request of a party, the party making the request shall pay for the cost of the transcript, unless the Board, for good cause shown waives assessment of this cost.

G. A party may request and the Board may grant a continuance of a hearing date or any other deadline imposed by these rules upon a showing of good cause.

R4-46-715. Rehearing or Review of the Board's Decisions

A. Any party in a contested case or appealable agency action before the Board may file a motion for rehearing or review within 30 days after service of the final administrative decision. Service is complete upon personal service or five days after the date the decision is mailed by certified mail to the party's last known address of record or to the statutory agent or controlling person as designated by the Appraisal Management Company. The party shall attach a full supporting memorandum specifying the grounds for the motion.

B. The opposing party may file a response within 15 days after service of the motion for rehearing or review, or by a date ordered by the Board, whichever is later. The party shall support the response with a memorandum discussing legal and factual issues.

C. Either party may request or the Board may order oral argument.

D. The Board may grant rehearing or review for any of the following causes materially affecting a party's rights:

1. Irregularity in the administrative proceedings of the Board or any other abuse of discretion which deprived the moving party of a fair hearing;
2. Misconduct of the Board or any party;
3. Accident or surprise which could not have been prevented by ordinary prudence;
4. Newly discovered material evidence which could not with reasonable diligence have been discovered and produced at the original hearing;
5. Excessive or insufficient sanction;
6. Error in the admission or rejection of evidence or other errors of law at the administrative hearing or during the progress of the proceedings or;
7. Unjustified decision based upon the evidence, or a decision that is contrary to law.

E. The Board may affirm or modify the decision or grant a rehearing to any party on all or part of the issues for any of the reasons set forth in subsection

D. An order modifying a decision or granting a rehearing shall specify with particularity the grounds for the order. The rehearing, if granted, shall be limited to matters specified by the Board.

F. Not later than 30 days after a decision is rendered, the Board may order a rehearing or review on its own initiative, for any reason which it might have granted relief on motion of a party.

G. When a motion for rehearing or review is based upon affidavits, they shall be served with the motion. An opposing party may submit opposing affidavits with the response. Reply affidavits may be permitted.

R4-46-716. Conviction and Judgment Disclosure

A. When an officer, principal, controlling person, or owner of an Appraisal Management Company is convicted of any act which is or would be punishable as a felony, crime involving moral turpitude, or any crime which is substantially related to the respective qualifications, functions, and duties of an Appraisal Management Company, the Appraisal Management Company shall notify the Board within 20 days of entry of a plea of guilty or conviction.

B. When a civil judgment based on fraud, misrepresentation, or deceit is entered against an officer, principal, controlling person, or owner of an Appraisal Management Company, the Appraisal Management Company shall notify the Board within 20 days of entry of judgment.

R4-46-717 Terms and Conditions of Reapplication After Revocation

A. An Appraisal Management Company which reappplies after revocation of a registration shall submit an application for registration consistent with these rules. The applicant shall attach substantial evidence to the application that the issuance of a registration will no longer constitute a threat to the public welfare and safety.

B. The Board shall make a determination of each application that is consistent with the public safety and welfare.